

U.S. DEPARTMENT OF LABOR

GUIDANCE ON SUPPORTIVE SERVICES FOR CHILD CARE AND LONG-TERM CARE



United States Department of Labor

OVERVIEW

The Biden-Harris Administration is making once-in-a-generation infrastructure investments through the Investing in America agenda. To carry out these investments, Federal agencies and Federal funding recipients must develop and sustain a skilled, diverse workforce to meet labor demand in the construction, manufacturing, clean energy, and transportation sectors. To successfully achieve this goal, all investments that include a workforce development focus must ensure workers have access to supportive services – especially access to affordable, high-quality child care and long-term care – which enable them to participate in training or employment.

This guidance is intended to assist Federal agencies, Federal funding recipients, employers, workforce development entities, and other stakeholders in the care community to make thoughtful investments into child care and long-term care to support workers. The guidance provides important best practices as well as example strategies for funding recipients and employers to consider when designing child care and long-term care solutions for workers. The guidance includes the following contents and resources:

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INTRODUCTION

President Biden’s Investing in America agenda – including historic legislation passed by Congress and signed into law by President Biden such as the American Rescue Plan Act, Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act – is mobilizing historic levels of investment and job opportunities. The surge in Federal investments will create increased demand for workers in construction, manufacturing, clean energy, and transportation sectors. Federal agencies have a critical role to play in developing the workforce in these sectors to ensure that communities can meet that demand and deliver on the promise of these investments for repaired roads and bridges, clean drinking water, affordable high-speed internet, and more.

A key component of workforce development and addressing the demand for workers is ensuring workers have access to supportive services¹ – especially access to affordable, high-quality child care and long-term care for their loved ones – which enable them to participate in training or employment. As a baseline, care should be:

- **Affordable:** prices are within reach for low- and medium-income households
- **Accessible:** available at a convenient location with hours that meet workers’ needs
- **Reliable:** granting workers confidence that they will not need to miss work for unexpected care issues
- **High-Quality:** providing a safe and healthy environment with caregivers and early educators that are well-paid, whom families can trust, and that nurture the healthy growth, development, and well-being of children, older adults, or people with disabilities

Lack of access to care is one of the biggest barriers to workforce participation. When workers do not have access to affordable, high-quality child care or long-term care for their loved ones, they may struggle to enter or stay in the labor force, maintain adequate work hours, or maintain productivity while managing care for children, older adults, or family members with disabilities.

Parents’ decisions about work are often driven by their access to affordable, high-quality child care that meets their specific family needs. Half of all workers and nearly 60 percent of parents cite lack of child care as their reason for leaving the workforce.² And, because women are more likely than men to be primary caregivers, the inability to find affordable, dependable child care is a significant factor keeping women out of the workforce.³ Policies that expand access to child care can boost both parental participation and productivity in the workplace, including by allowing working parents to obtain additional education or job training and increasing the likelihood that they will work full time. Access to quality early care and education also helps ensure children are prepared for success in school and in life, boosting long-term outcomes for the entire family.

Access to affordable, high-quality care is also important for workers who are caring for older adults and people with disabilities, which will become more prevalent as the population ages. Much of the demand for long-term care (also known as long-term services and supports or LTSS) is met by unpaid caregivers, which may lead those individuals to exit the labor force or reduce their work hours to meet caregiving demands.⁴ Approximately 13.7 percent of workers reported caring for an older adult.⁵ For the majority, this care was for two years or less, and for many, this care was

intermittent, with over half of these caregivers reporting that they provided care once a week or less. The intermittent and temporary nature of long-term caregiving responsibilities demonstrates the importance of providing workers with flexibility and benefits to effectively handle such situations when they arise.

Care is costly and absorbs a growing share of family budgets: child care prices have increased by around 26 percent and some long-term care costs have increased by more than 40 percent in the last decade.⁶ While child care prices range substantially across the country, prices represent about 8 percent at the low end all the way up to 19 percent of median family income *per child*, making care unaffordable for families even in lower-priced areas.⁷ And for workers in the sandwich generation – caring for both minor children and older adults – the cost of care can cause financial stress.⁸ Workers may also have difficulty accessing child care or long-term care if local providers have limited availability or staffing shortages, or if care providers are too far away or have limited hours, which is particularly difficult for workers who work nonstandard hours.

Despite this demand for and importance of child care and long-term care to enable workforce participation and economic growth, several market failures limit the supply of high-quality care because of a persistent gap between the costs of providing this care and the prices families can pay.⁹ Child care providers operate on slim profit margins and may struggle to bridge the gap between the costs of labor to provide care and the prices families can pay. Additionally, low wages and lack of benefits for the child care workforce impede recruitment and retention of child care workers,^{10, 11} particularly as wages have increased in other industries that compete for the same labor. Average weekly wages for the child care services sector were 54 percent below the national average for weekly wages in the third quarter of 2023 (\$609 compared to \$1,328).¹² Child care workers rank as the 12th lowest paying U.S. occupation when comparing annual pay.¹³ Child care workers are more likely than workers in other industries to fall below the poverty line,¹⁴ and attracting and retaining qualified staff has become increasingly difficult throughout the child care sector. Addressing the need for affordable, accessible, reliable, and high-quality child care requires ensuring a well-compensated, well-supported child care workforce.

Similarly, among the direct care workforce who provide LTSS, low wages combined with difficult working conditions, a lack of benefits and training opportunities, and inadequate career advancement pathways have made it challenging for LTSS providers to recruit and retain workers. Meanwhile, an aging population means that there will be increased demand for LTSS workers, with demand growing much faster than for other occupations.¹⁵ In 2022, the median hourly wage for direct care workers was \$15.43 and median annual earnings for direct care workers were just \$23,688.¹⁶ Almost one-half of direct care workers live below 200 percent of the Federal poverty guidelines and about half rely on public assistance.¹⁷ Workers in these occupations provide care that can be physically demanding, including handling transfers, lifts, positioning and bathing, all of which contribute to these workers having some of the highest occupational injury rates in the country.¹⁸

The Biden-Harris Administration is working to address the needs of workers and expand access to affordable, high-quality care while also supporting care providers and improving wages and job quality for the care workforce. The American Rescue Plan's \$24 billion Child Care Stabilization Program helped more than 225,000 child care providers keep their doors open to as many as 10 million children.¹⁹ President Biden has called on Congress to make the transformative investments

needed to increase access to high-quality child care and long-term care services, as well as improve pay and job quality for care workers.²⁰ In the meantime, President Biden signed the [Executive Order on Increasing Access to Quality-Care and Supporting Caregivers](#) on April 18, 2023, in which he directed all Federal agencies to boost the supply of high-quality child care and long-term care and to provide support for family caregivers.²¹

In the Executive Order, President Biden directed each Federal agency to identify and issue guidance on which of their discretionary, formula, and program-specific [funds can be used for child care and long-term care as a supportive service](#) for workers who are being trained for and working on federally funded projects. Additionally, the President directed agencies to consider requiring, preferencing, or encouraging applicants for these funds to provide affordable, accessible, and reliable child care and long-term care for their workers as a supportive service wherever allowable or practicable.

These directives reflect the critical role of Federal agencies in addressing workforce demands under their Investing in America funds. As part of their allowable expenses on workforce development, many Federal agencies may allow funds to be used for supportive services, including child care and long-term care. While investments in care supports by employers and recipients of Federal funding will not fix the care economy on their own – greater public investments are needed – these investments will help workers with the greatest needs and barriers access training, enter into, and remain in the workforce. More importantly, care access is critical to help infrastructure projects retain the workforce they need to deliver on-time and on-budget. At the same time, employers and recipients of Federal funds can work with local, state, and Federal government agencies to ensure funds are invested in ways that bolster the care ecosystem, care workforce, and build high-quality care options for families.

To assist Federal agencies, Federal funding recipients, employers, workforce development entities, and other stakeholders in the care community make thoughtful investments into child care and long-term care support services, the U.S. Department of Labor – as directed by President Biden’s Executive Order on care – has provided the following technical assistance and guidance materials. These resources were developed with input from the U.S. Department of Health and Human Services and the U.S. Department of Commerce. The document is organized by the flow of Federal funds, beginning with language for Federal agencies to insert in their funding announcements, evaluation guidance for Federal agencies, the role of various stakeholders in the care ecosystem, and strategies and best practices for funding recipients and employers.

The Business Case for Ensuring Workers Have Access to Care as a Supportive Service

Businesses are increasingly recognizing the importance of supporting their workers by providing care benefits. In 2023, 12 percent of all U.S. workers had access to child care through their employer, though that number rises to 24 percent for workers at businesses with 500 or more employees.²² A Care.com survey of human resources and business leaders in 2023 found that 56 percent of employers are prioritizing child care benefits and 50 percent are prioritizing senior care benefits for their employees.²³ These businesses' investments in care are critical supports for their employees' well-being, and, if thoughtfully implemented, can also improve the sustainability and quality of care among care providers.

Businesses significantly benefit when their workers have access to reliable, high-quality, and affordable care. Supporting workers managing care helps to increase productivity, retain, and recruit workers.²⁴ When workers have access to reliable, high-quality, and affordable care they are more focused at work, less stressed, and less likely to be absent, leading to greater productivity and output for businesses.²⁵ Workers are also more likely to stay employed, reducing the cost of turnover for businesses. When workers feel supported at work, such as through their employer providing paid leave, flexibility, or access to care, that can boost morale and engagement with the company.²⁶ Businesses may also increase their positive public reputation, which can help attract new employees, customers, and investors. A study of five companies with child care benefits found positive returns on investment in their net financial impact ranging from 90 to 425 percent.²⁷

REQUIRING, PREFERENCING, OR ENCOURAGING LANGUAGE FOR AGENCIES TO INCLUDE CARE PLANS IN FUNDING OPPORTUNITIES

The following guidance and template language is for Federal funding agencies looking to require, preference, or encourage supportive services and care supports as part of their funding opportunities.

There are many Federal programs that allow or preference applicants who will help invest in providing access to quality, affordable child care and long-term care as part of their projects, and applicants are encouraged to provide a plan on how they will meet the care needs of workers. (For a list of many Federal funds in which care is an allowable expense and where supportive services are required, preferred, or encouraged see the White House [Advancing Care as a Supportive Service](#) guide.) Given the unique challenges each project will face and stakeholders who will need to be involved in developing care plans, flexibility is key. There is no one-size-fits-all solution to care access: affordability will be the main issue in some areas, poor job quality for care providers and limited supply will be an issue for some regions, and still others will struggle with providing [nonstandard hour care](#) for workers in certain industries, such as the construction and manufacturing workforce. As such, each applicant is encouraged to develop a plan that will fit the needs of their specific geography and workforce.

Supportive Services — Care

Implementing agencies have also found that requesting information on specific applicant commitments using true and false response options is an effective way to secure concrete job quality, worker empowerment, and equity commitments. The below language directs applicants to describe how they will provide for care and better assure caregivers' ability to obtain good jobs. Where appropriate, agencies should also clarify if workforce development, including supportive services, is an allowable use of funds and prioritize applicants that commit to dedicating project funds to proven workforce strategies.

Recommended Language:

Requiring (or Prioritizing or Encouraging): A goal of this award is to ensure that jobs stemming from this investment remove employment barriers for underserved populations and individuals underrepresented in the workforce, including caregivers, who are disproportionately women. Accordingly, applicants must (alternatively, applicants will be prioritized if they / applicants are encouraged to) describe a plan for providing support to workers or participants to care for their child(ren), dependents or others for whom they are responsible for providing care. This care and other support must be affordable for low- and middle-income households; and reliable. When caregiving is provided directly or subsidized, it must be of high-quality; provide a safe and healthy environment that families can trust; and accessible, at a convenient location with hours that meet the worker or

workforce development program participants' needs. Applicants may provide or support this care through methods including, but not limited to, subsidies, on- or near-site care, agreements with care providers, and referral networks. Components for such a plan must include whether and how the applicant is:

- Working with care providers to establish or expand care options that meet family needs, such as nonstandard hour care;
- Providing a contract, stipend, or other type of subsidy to defray care costs;
- Partnering with established, high-quality care providers to offer care services and information or referrals to families (and including a letter of support from established care providers);
- Partnering with (and including a letter of support from) unions, care providers, or other relevant community-based organizations to expand access to quality, affordable care, and improve job quality for the care workforce to address persistent care workforce shortages, such as through increasing wages and benefits for care workers.

Data Collection and Reporting

To support the goals of this program as well as the administration's job quality, equity, and worker empowerment priorities, the Agency may require recipients to collect and report data relating to project-level labor standards, training programs, expected labor needs, and workforce outcomes. Examples of types of data that the recipient may be required to collect and report include, but are not limited to:

- Demographic information and other characteristics of workers, including their race, ethnicity, gender, age, disability status, veteran status, and union membership status as well as pay, hours worked, and other metrics that may be used to identify disparities and issues impacting specific underserved communities.
- Data on workers' receipt of benefits or supportive services, including support for care, employer-sponsored health and dental insurance, retirement benefits, or paid leave.
- Information on partnerships that assist with recruitment, training, retention, or provision of supportive services to workers or training participants.
- Demographically disaggregated data on workers' participation in training programs including Registered Apprenticeship Programs, apprenticeship readiness or pre-apprenticeship programs, and other joint-labor management programs.

After funds have been awarded the Agency may establish specific reporting requirements for project and workforce data that could include standardized measurement approaches, data system requirements, and any other requirements the Agency determines to be necessary. Data collection may be required prior to the start of a project, during a project's performance period, upon completion, and/or annually for a specified period after the project's completion.

Examples:

Requiring: "Child care is critical to expanding employment opportunity for economically disadvantaged individuals, including economically disadvantaged women. The Department requires that any applicant requesting CHIPS Direct Funding over \$150 million provide a plan for access to child care for facility and construction workers, e.g., through on- or near-site child care, pre-arranged agreements with existing child care providers, child care subsidies, or other similar measures. To meet families' needs and thus expand employment opportunity, child care should be:

- **Affordable:** costs are within reach for low- and medium-income households
- **Accessible:** at a convenient location with hours that meet workers' needs
- **Reliable:** granting workers confidence that they will not need to miss work for unexpected child care issues
- **High-Quality:** providing a safe and healthy environment that families can trust and that nurtures the healthy growth and development of children."

[Department of Commerce — [CHIPS Incentives Program – Commercial Fabrication Facilities](#); p.21]

Preferencing: "Among zero-emission applications, FTA will give priority consideration to zero-emission applicants that ... include steps to provide or connect workers to supportive services (such as child care and transportation assistance)" [Department of Transportation — [FY 2023 Low or No Emission Grant Program and the Grants for Buses and Bus Facilities Competitive Program](#); p 8]

GUIDANCE TO EVALUATE APPLICANTS' SUPPORTIVE SERVICES CARE STRATEGIES

The following checklist is intended for Federal agency program officers, funding recipients, and their collaborators, during negotiations and development of project details related to supportive services and care strategies.

This checklist is meant to facilitate partnership between an agency's funding recipients and care stakeholders as they work to incorporate care investment strategies into their implementation plans. These questions are intended to prompt conversation and support collaboration to ensure that care supports are available for the workforce implementing federally funded projects.

Federal agency program staff should consider the following criteria when evaluating applicants for Federal job-creation or workforce development funds and their plan to provide support to workers or participants in the project's target jurisdiction to care for their child(ren), dependents, or others for whom they are responsible for providing care.

Does the funding recipient reference any support for child care or caregiving as part of the application or implementation plan?	
✓	Has the funding recipient specified the types of supportive services that training participants or project workers may have access to in order to ensure that they can seek and maintain employment? Has the funding recipient allowed for flexibility in funding for supportive services so as to best address barriers to training or employment?
✓	Has the funding recipient identified any gaps in the local supply of available child care or other caregiving services that need to be addressed to ensure the project can hire workers for implementation?
✓	Have relevant child care and other caregiving stakeholders (e.g., child care resource and referral agencies, local child care networks, social service providers, and long-term care service providers) been included in planning efforts? If the funding recipient is a government entity, has the state or territory's Child Care Administrator (as designated by the HHS Office of Child Care ²⁸) and state Medicaid and Aging agencies been consulted?

<i>Have the potential type of caregiving needs for the workforce implementing the project been identified?</i>	
✓	Looking at the types of jobs that are planned for creation of the project, will the workers in those jobs be able to work from home or will they be required to travel to a site?
✓	Where will individuals be traveling from to get to work? What kind of care exists in the regions or communities where the workers are from?
✓	What are the anticipated work hours of the workers? Will workers be asked to work during standard work hours, with a predictable schedule, when care is most commonly available or nonstandard hours or inconsistent work schedule?
✓	<p>If the jobs will require nonstandard work hours for the workers, what is the rationale for nonstandard hour work and what types of nonstandard hours will they likely require? What kind of care will workers need support with based on their hours of employment?</p> <ul style="list-style-type: none"> • Extended standard hours (i.e., 7am-7pm) • Early morning hours (i.e., earlier than 7am start time) • Late evening hours (i.e., later than 7pm end time) • Overnight hours • Weekend hours
✓	<p>What are the care needs that future or current project workers, especially from underrepresented and underserved populations, likely to face? How many workers will have care needs (for children under age 12, older adults, or family members with disabilities)?</p> <ul style="list-style-type: none"> • What areas or demographics are being targeted for recruitment? • How likely are training participants and job seekers to need affordable care for children or loved ones? • Will income preclude workers from being eligible for public child care subsidies? • Have local prices for high quality care providers been factored into salary structures, pay scales, and cost of living expectations for all workers?
<i>Does the implementation plan consider the local care landscape and tailor strategies accordingly?</i>	
✓	Has the funding recipient worked with existing care providers to adapt or expand their services to meet the specific needs of project implementation?
✓	Has the funding recipient worked within the state or community's definition of quality child care and worked to identify ways to foster quality in their child care strategies?
✓	Has the funding recipient examined the state's or community's long-term care infrastructure to identify ways to foster quality in their long-term care strategies?
✓	Has the funding recipient considered and incorporated estimates of the cost to deliver high quality care using living wage thresholds and benefits for the care workforce? Strategies may vary based on the types of care options being designed for workers (i.e., overnight care for workers with nonstandard work hours; contracting with existing care providers to expand capacity to serve workers)
✓	Has the funding recipient worked to align with any state or local strategies to help recruit care workers, and increase wages and improve working conditions for the care workforce?

<i>Is funding being directed to support the care needs of workers and training participants?</i>	
✓	Will workers be guaranteed a predictable schedule with at least two weeks' notice of any changes to ensure they can arrange adequate caregiving supports while they are working?
✓	Will workers be offered a range of benefit options including a flexible schedule and paid leave that can be tailored to meet the specific care needs of their family? Will workers have access to employee assistance programs that will help them find the support and resources they need to maintain employment?
✓	<p>Are individuals offered a range of support options that can be used to meet their family's care needs, such as (but not limited to):</p> <ul style="list-style-type: none"> • Contracts that ensure workers have access to existing local, high-quality child care sites willing to expand capacity; • Care stipends and matching funds; • Care savings accounts (such as Dependent Care Flexible Spending Accounts); • Backup child care benefits; • Long-term home care options; • Access to a care intermediary that supports matching families with available care; or • On-site or near site child care, if appropriate for specific workers.
✓	Has the funding recipient developed partnerships with state/local care administrators and collaborations to support project implementation taking into consideration the full scope of the project?
✓	Has the funding recipient considered funding strategies or how to leverage different funding sources (such as public-private partnerships or collaborative models) to provide the services necessary to meet the specific needs of the project's workforce? Project workers who will work nonstandard work hours may need multiple sources of care delivery, including partnering with home-based care providers and developing partnerships to ensure access to home care workers.

NOTE: It is important to note that prices for caregiving often reflect what people can pay, rather than the true cost of caregiving. Best practice employer-sponsored care strategies help account for the true cost of delivering quality care, including a living wage and supports for the care workforce. When estimating costs for contracts or other investments in caregiving, employers should prioritize realistic cost estimates that account for quality care, which includes living wages for the care workforce, that help ensure a stable care sector that can truly benefit all workers.

STAKEHOLDER ROLES AND ACTIONS RELATED TO CARE AS A SUPPORTIVE SERVICE

The following table outlines roles and potential actions for various stakeholders in the care ecosystem – who may receive or benefit from Federal investments – related to providing care as a supportive service for workforce development and employment, along with examples of organizations or programs implementing each approach. The potential actions in the table are a non-exhaustive list, do not include all actions that stakeholders can take, and, for state and local governments, may need to be addressed by legislation.

The Biden-Harris Administration’s [Good Jobs Principles](#) outline eight principles that create a framework for job quality for workers, businesses, labor unions, advocates, researchers, state and local governments, and Federal agencies. Work-family benefits such as caregiving supports are a key component of fulfilling the Good Jobs Principles. There are a variety of stakeholders who can play a role in providing workers with supportive services like child care and long-term care services to help boost recruitment and retention of the workforce. These roles are often complementary and can be coordinated to maximize effectiveness. State and local governments can use their own funds and authority, or Federal funds they receive, to boost support to local care providers, encourage employers to invest in care, and provide direct support for workers who need care services. Businesses and employers can take a variety of actions to provide care as a supportive service to workers (see [Best Practices](#) and [Example Strategies](#) below) and partner with care providers to bolster their workforce. Care providers can expand partnerships with businesses, labor unions, and care intermediaries to better understand and meet the care needs of workers and their families. Intermediary organizations and other invested stakeholders, like workforce development organizations or labor unions, can partner with governments, businesses, employers, and care providers to ensure that those looking for care are connected with providers who can meet the care needs of workers and families and are working to bolster and improve job quality for the care workforce.

ROLE	ACTIONS AND EXAMPLES*
State or Local Governments	
Incentivize employers to invest in care needs of workers	<ul style="list-style-type: none"> • Use public funds to match employer funds (or employer and employee costs) for care offered to employees (e.g., Kentucky Employee Child Care Assistance Partnership, Michigan Tri-Share, and Wisconsin Partner Up) • Expand on tax credits for businesses that invest in care for workers (e.g., New York State Employer-Provided Childcare Credit, Colorado Employer Sponsored Childcare Incentive, and Iowa Employer Child Care Tax Credit)
Provide administrative support to employers seeking to provide care for their workforce	<ul style="list-style-type: none"> • Provide location-specific resources for employers looking to provide care to their workforce (e.g., Maine Child Care Toolkit for Employers) • Create or facilitate public-private partnerships and coordination to help employees of participating employers identify and connect with licensed and quality local care providers (e.g., Michigan Tri-Share)
Improve the supply and quality of care providers by targeting financial support in a way that builds business stability and incentivizes program expansion	<ul style="list-style-type: none"> • Create public-private funds that can receive both private and public money to support the creation of care infrastructure (e.g., Oregon CHIPS Childcare Infrastructure Fund) • Support new care providers to navigate state requirements and establish good businesses practices (e.g., City of Boston Office of Early Childhood, FCC Shared Services Licensing Support Services) • Establish workforce development programs for care jobs to help grow capacity for care in areas where care is limited for workers (e.g., Maryland DSP Apprenticeship) • Establish contracts with care providers to ensure the stability of care, help defray the operational costs of providing child care, and reduce the reliance on parent tuition to increase worker compensation (e.g., Massachusetts C3 Grant Program, DC Early Childhood Educator Pay Equity Fund, and Johnson County Child Care Wage Enhancement Program) • Subsidize costs for care workers of their own child care needs and other supports (such as providing free credentialing) to ease recruitment and increase their retention (e.g., Kentucky Child Care Assistance Program (CCAP))
Provide financial support to workers to pay for care	<ul style="list-style-type: none"> • Provide cash assistance for supportive services, including care, directly to workers to help them access state-registered care (e.g., Oregon's Highway Construction Workforce Development Program) • Establish grants/funds that support care needs for workforce development and training (e.g., California's Equal Representation in Construction Apprenticeship (ERiCA) Grant and Oregon's Highway Construction Workforce Development Program)

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ROLE	ACTIONS AND EXAMPLES*
Businesses or Employers	
Invest in care as a supportive service to the workforce	<ul style="list-style-type: none"> • Provide workers with care as a supportive service using a variety of strategies and factoring in various considerations (see considerations and strategies sections below). (e.g., Knoxville County Child Care Micro-Center Pilot, On-Site for Kids, and Starbucks Backup Care Benefits (Care@Work); and additional examples available in the CHIPS for America Workforce Development Planning Guide) <ul style="list-style-type: none"> • Direct Cash Assistance/Stipends • Sponsorship • Supporting Pilot Programs/Pooled Funds • Partner with Care Resource and Referral Organizations • Backup/Respite Care • Building new on- or near-site child care capacity • Providing access to long-term care in the home and community • Partner with local businesses to pursue these strategies together to bolster the local supply of care or increase the available workforce in a particular sector • Establish contracts with care providers to support the revenue needed to operate care services and businesses
Partner with entities that understand the needs of working caregivers, the care industries and the care workforce	<ul style="list-style-type: none"> • Partner with intermediaries and entities to connect with quality care providers (e.g., Micron use of TOOTRiS) • Become familiar with the state and local disability and aging organizations such as Centers for Independent Living, Developmental Disabilities Councils, Protection & Advocacy Agencies, Area Agencies on Aging, Aging and Disability Resource Centers, and University Centers for Excellence in Developmental Disabilities (see Aging and Disability Networks), State Medicaid Agencies, local Arc Chapters, and other disability and aging provider organizations • Create or support a stakeholder coalition to collectively pursue solutions to workers' caregiving challenges. (e.g., Best Places for Working Parents, Colorado Executives Partnering to Invest in Children (EPIC), and Massachusetts Business Coalition for Early Childhood Education)
Improve employer-provided benefits to help workers manage care	<ul style="list-style-type: none"> • Provide workers with predictable schedules, paid leave, and flexibility to manage their caregiving responsibilities, tailored to their needs (see Employer-Provided Benefits below) • Provide workers with transportation benefits to help them with commuting to and from work and the care provider

ROLE	ACTIONS AND EXAMPLES*
Care Providers and Provider Networks	
Develop networks of providers who can agree on a coordinated approach to efficiently work with employers	<ul style="list-style-type: none"> • Use common contracts, budgets and a unified approach across multiple small care providers to help develop a network that can be leveraged when working with large employers or business associations (e.g., National Association for Family Child Care)
Work with labor unions and worker organizations to ensure local provider options are aligned with workers' care needs	<ul style="list-style-type: none"> • Partner with unions and local organizations to create a network of care providers that can meet the unique care needs of a particular workforce, such as nonstandard hour care (e.g., Care that Works)
Ensure compliance with all applicable labor standards and protections for care workers, including direct care workers	<ul style="list-style-type: none"> • Ensure care workers are properly classified as employees or independent contractors and are receiving legally required protections, compensation, and benefits under all applicable laws • Implement best practices to improve job quality for care workers to strengthen recruitment and retention in the industry
Engage with business and employer networks to provide information about the local care ecosystem	<ul style="list-style-type: none"> • Develop simple messaging and data to help employers understand what type of care is available for workers and their families and the costs of care

ROLE	ACTIONS AND EXAMPLES*
Intermediary or Other Stakeholder Entities	
<p><i>Helping families find care:</i> Entities that help families navigate the landscape and help find the care resources they need.</p>	<ul style="list-style-type: none"> • Partner with quality providers who ensure the workforce is being paid adequate wages and do not charge care providers to be part of listing and referral networks • Use the Aging and Disability Networks to identify supports for older adults and people with disabilities • Consult your local Child Care and Development Fund (CCDF) Lead Agency to identify networks in local, state, territory, or geographic area such as local child care resource and referral networks, worker cooperatives, or other local child care partnerships
<p><i>Helping design and build partnerships across businesses and care networks:</i> Individuals and organizations working to help create partnerships across care providers, labor unions, and employers or design care investments for an employer or group of entities.</p>	<ul style="list-style-type: none"> • Identify state and local partners that can help align employer efforts with public investments in care • Use the Good Jobs Principles for all workers—including the care workforce—as partnerships are designed and implemented • Ensure that care benefits are extended to all workers and those going through workforce development pipelines (pre-apprenticeship/apprenticeship readiness programs) • Use labor contracts (such as Project Labor Agreements or Community Benefits Agreements) to establish care benefits that can meet the specific needs of workers using local provider options (e.g., Care That Works)

BEST PRACTICES FOR PROVIDING CARE AS A SUPPORTIVE SERVICE

The following best practices are intended as guidance to support planning across Federal funding recipients, employers, workforce development entities, intermediaries, and other stakeholders as they consider how best to provide supportive services including child care and long-term care to workers.

By understanding the needs of workers and the available resources in place to build from, a variety of strategies can be used to help workers access affordable, reliable, high-quality care for their loved ones who depend on them while they are working. Regardless of which strategy or combination of strategies are used, every project must budget and plan for supportive services and care supports from the outset in order to meet the needs of workers. This should include a detailed plan for how each project will address access to care and can ensure there is adequate funding for the duration of the project to support workers' care needs.

Consider Care Landscape and Specific Needs of the Workforce

Recipients of Federal funds, employers, intermediary organizations, and other stakeholders should ensure a common understanding of the landscape of care providers in the targeted community and the specific care needs of the workforce when planning care supports. In order to do so, various care supply and demand considerations should be factored into planning – such as the location of the work and care landscape, working conditions, and types of care most needed by workers. These considerations can help ensure that decisions about which suite of strategies to support care for workers are impactful for the specific project, type of employer, and specific caregiving needs of workers.

Evaluating Care Supply

Identifying the landscape of care providers – from location, type and cost, capacity, and quality – are necessary considerations before beginning to meet workers' care needs and proposing care solutions to fill in gaps.

- Location of Care:** Recipients of Federal funds should consider aspects of the local landscape such as population density and how far people generally travel to get to the work site. Looking at the available infrastructure for employees to use when accessing care can help determine what care will be most impactful for a specific population or job category. Identifying challenges with transportation, for example, may help determine preferred care locations where parents can most easily access child care. Additionally, understanding where most workers with families will be traveling from to get to work can also help target efforts to partner with local care stakeholders and providers. It is important to understand the care infrastructure both where workers live as well as what care is available near the work site to adequately identify what supports will be most impactful to workers.

- **Type and Cost of Care Offered:** The types of care offered and the types of care families might prefer varies greatly from community to community. Identifying the child care services and long-term care support services currently available and used by families can help recipients of Federal funds understand local preferences, trends, and where investments will be most impactful. Evaluations should be done to assess the availability of nannies and home care workers, home-based child care providers, and center-based care. Additionally, assessing the types of care should include the cost of care, which differ by the type of care provided. Many workers may not be able to afford services that are prohibitively expensive without additional funding support.
- **Capacity of Care Landscape:** Much like the types of care offered, the capacity of local care providers varies greatly from community to community.²⁹ Depending on location and the type of care needed, workers may struggle with finding any available services with open slots. Given that child care demand and availability differ by age group, evaluating the supply of seats available against the population of children who need care is essential for understanding the care landscape and families' needs. For example, there may be slots available for 2-3-year-old children, but no care for infants. Strategies to build or expand local care capacity (including sponsoring capacity expansion and on- or near-site child care, as detailed below) may be necessary to address some needs.
- **Quality Care Options:** Many workers may have difficulty finding the care options that are available to them and meet quality standards. Because care needs are specific to the family situation, finding care options can often be labor intensive and require significant knowledge of the landscape. While care solutions do not need to be tailored to each worker, in many cases, investment to expand support for workers to find local, high-quality care providers can be invaluable to ensure employees know what is already available to them. Intermediary entities, such as Child Care Resource and Referral agencies or enhanced employee assistance programs, can provide the one-on-one support workers may need to understand the resources available to them. In addition, many states and communities have rating systems, licensing and compliance requirements, and certificates in place to help identify care providers that meet certain quality standards which may provide a foundation for employers to build from.

Evaluating Care Demand

Identifying the job expectations of those who may need care in order to work will help determine what types of care supports they will need, in addition to their care preferences, ability to afford care, and other factors beyond their job. Looking at how often workers must be on-site versus working remotely, for example, may determine the location of the care needs individuals will have or even the types of care that they will most likely use. Some considerations include:

- **Hours and Location of Work:** When and where an individual is working may be the most critical determining factor in the type of care they will need. Child care providers, for example, often function on a “typical” work schedule (7am to 6pm) and may require a family to pay for their child’s spot in care every day in order to pay their employees, even if the child is not in attendance because of the family’s nonstandard work hours. Because of this, workers that work nonstandard work hours or those with irregular schedules—especially those with overnight shift schedules—may have difficulty finding a child care provider that can meet their needs or need to coordinate across multiple care arrangements. Additionally, some workers may prefer care options that are close to

their work site, while others may prefer to access care closer to their homes or to the local school system (if they have school-aged children). These preferences will help determine what suite of options provide the best supports for workers with care needs.

- Needs of Short-Term Workers:** Projects that have a short-term start up component may need to develop a variety of care investment strategies to help accommodate the different needs of families over time. Care needs of short-term workers will be distinctly different from those of workers who will ultimately be permanently working on-site and reliant on local services. For example, a construction site that has specific expertise needed for different phases of the work may have workers on-site for a short period of time until that phase is complete. The needs of workers who contribute to the construction of the physical location may be different than the individuals who ultimately work in the location long-term. Working with labor unions and other trade representative groups can be an effective way to consider innovative solutions for specific short-term care needs such as modular classrooms or partnerships with local providers. By considering the short-term versus long-term care needs of workers, employer investments can ensure appropriate capacity is built to accommodate the specific project goals and plan. Addressing investment calibrated to worker needs can help ensure sustainability for care providers and ensure that providers are not setting up new processes or schedules without the appropriate demand to fulfill the service.
- Needs of Workers in Training Programs:** Many industries and employers are creating and deepening workforce development partnerships to help build the pipeline of well-trained, highly skilled workers they need. In creating these partnerships, it is vital to think about the care needs of individuals throughout the pre-apprenticeship and apprenticeship (or other training) process. The needs of workers may look different as they move through the workforce development training process, and the individual may need increased supports during the early phases of training since they may not be earning a family-sustaining wage until they are eligible for full-employment or until they have progressed in their program. Identifying the needs of workers throughout the entire pipeline and investing in care supports that can meet those needs, in partnership with the training provider or union, can greatly increase the success and retention rates for those in workforce development and apprenticeship programs.
- Care Needs of Workers:** There is no one size fits all for care, and the needs of each family will vary based on a number of factors beyond their job. Needs may vary based on what coverage is available from insurance or other social support programs and educational institutions. Parent preferences for child care, for example, often depend on age and number of children they have, their home language, or the work schedules of other family members available to help with care. One way to understand the greatest needs of workers with care responsibilities is to survey the workers about their care needs and preferences. There are numerous examples of surveys developed to assess the care needs of workers, including the Child Care [Needs Assessment](#), Child Care [Toolkit](#), and Toward a Working Future [Toolkit](#). Including subcontractors and looking to business associations that can aggregate the needs of workers across many businesses can help ensure the investment strategies can effectively impact retention and recruitment. Identifying the challenges workers face, paired with an assessment of the care landscape, can help employers and Federal funding recipients determine the kind of resources it may make sense to invest in and how to design those benefits to be accessible and impactful to as many workers and families as possible (see [Further Resources](#)).

Employer-Provided Benefits

Fundamentally, supporting all workers with their caregiving responsibilities includes providing predictable schedules, benefits, and flexibilities.

- **Predictable schedules** are an essential component for workers to manage their caregiving responsibilities, allowing them to plan child care or long-term care, schedule doctor's appointments, and meet their various care needs. Without predictable schedules, workers may have difficulty hiring a care provider or finding informal care that meets their irregular work hours.
- **Paid leave**, which can include paid sick leave, paid family and medical leave, or paid time off, can allow workers to take time off work to care for a new child, care for a sick family member or family member with a disability, fill emergency care needs (such as a paid caregiver needing to take a sick day, among others), or go to a doctor's appointment. Workers with access to paid leave help boost productivity for their employers and are more likely to stay on the job, reducing the cost of turnover.
- **Flexible work** is also important for workers to reconfigure their work arrangements to manage caring for children, older adults, and people with disabilities. Flexible work may include reduced hours or part-time work, flexible schedules to accommodate appointments and caregiving, or working off site or at a different location.

Designing Care Support for Workers

With an understanding of the care needs and care landscape, recipients of Federal funds should consider what specific care supports will be provided to workers with care needs. While the ways that funding can flow to workers for care supports will often be dictated by the Federal grant award, funding recipients should consider the following strategies when planning their budgets. These strategies are intended to be mutually reinforcing, though not all strategies will apply to every stakeholder or every care need.

Examples of Strategies to Support Care for Workers

- **Direct Cash Assistance/Stipends/Reimbursements:** Care stipends, direct assistance to workers, or reimbursement for care costs is a primary way that care as a supportive service is often provided. Under this approach, individuals going through workforce development training and/or workers are provided stipends, vouchers, subsidies, or other forms of cash assistance to meet the costs of care with existing providers or other care arrangement. Cash assistance, stipends, or reimbursements can be beneficial for those going through workforce development training and workers, if they are sufficient to cover the cost of care in the community, allowing them the flexibility to choose their preferred care provider – such as those closer to home rather than close to their worksite. Often this type of direct assistance is paired with referral agencies or navigation services to help workers identify providers and use the care allowance. Employers should also

make employees aware of Dependent Care Assistance Programs (DCAPs) or Dependent Care Financial Savings Accounts (DCFSAs) which allow employees to save a portion of their paycheck up to a certain amount – and may include employer contributions – in pre-tax benefit accounts that can be used to pay for dependent care expenses.

However, funding recipients should be sure to fully consider the amount of funds going to workers and ensure that these supports do not have tax implications for those receiving this benefit. For example, if the cash assistance, stipend, or reimbursement is given directly to the trainee or worker, it may have the unintended consequence of impacting their tax status and, therefore, pushing them over a benefits cliff and negatively impacting their eligibility for other state and Federal supports. Additionally, a reimbursement strategy may not be preferred if workers have insufficient finances to pay for care up front. Care stipends should also never be used in place of a livable wage or salary. In order to defray this impact, programs should consider paying the care provider directly – be that a center-based care provider, a home-based provider, or a family, friend, or neighbor care provider – so as not to impact the income and benefits eligibility of the worker.

- **Directly Funding Care:** Rather than providing a direct stipend to workers who have care support needs, funding recipients and employers can purchase and sponsor capacity for children of their workers at existing child care facilities, or purchase or subsidize care – both child care and long-term care – through intermediaries. This approach requires establishing partnerships with existing care providers and negotiating the terms of the contract between the funding recipient/employer and care provider. The funding recipient/employer may pay a lump sum to a provider to increase their capacity to provide care or expand their operating hours. Alternatively, the funding recipient/employer may pay the provider for specific slots or number of hours for workers to guarantee capacity and allow workers to access the care at a discount. This option has many benefits to help workers find and access quality care while also helping to bolster the care ecosystem in general by supporting local care providers and increasing the supply of local care, including increasing wages for the care workforce. Attention must be paid to avoid crowding out capacity for existing families in the community by, for example, taking steps to expand overall capacity in the community. Best practices under this approach include partnering with multiple stakeholders in a community, including community centers and in-home providers, to fully meet the needs of a variety of workers at investment levels that account for the cost of delivering care.
- **Supporting Pilot Programs/Pooled Funds:** Depending on the local care ecosystem, funding recipients may also have the option to tap into care programs that help workers fill their care needs by pooling funds and other resources with other employers, unions, or Federal funding recipients who are also working to provide care supports to workers. Similarly, a group can work together to pilot new programs to meet their workforces' needs, such as a program that specifically addresses early or late care hours. This approach is particularly useful for small businesses who may not have the resources independently to invest in local care providers, or local communities seeking to support workers in a specific trade or industry. Piloting programs and pooling funds can ensure that funds have a greater impact on the local workforce.
- **Partner with Care Resource and Referral Organizations (Intermediaries):** Funding recipients can use and partner with resource and referral organizations to help connect their workforce with care providers in the area, manage benefits, or connect with state child care licensing systems. Aging and Disability Resource Centers serve as single points of entry into

the long-term services and supports (LTSS) system for older adults, people with disabilities, caregivers, veterans, and families. The National Family Caregiver Support Program provides grants to states to help caregivers access available services, training, and respite care. Employers may also pay for a business or navigation service that acts in this intermediary role to connect workers and their families with care providers. Funding recipients should ensure that the care providers in the network are licensed, high-quality providers and that using the intermediary service does not cost care providers, reduce their revenue, or cost their workforce. It should be noted, however, that without investments in the care infrastructure, these networks have limited utility. Resource and referral only help workers with caregiving needs in areas where care is available.

- **Backup/Respite Care:** Funding recipients can also partner with a program, such as a care provider or navigation service, or provide cash assistance to help workers secure backup or respite care in-home. Many caregivers will need backup or respite care that covers the occasional care needs that can come when regular care is not available due to a last-minute change or to give caregivers a break. For example, if a child care center has a professional development day, an unexpected short-term closure or another interruption of services, workers will need to fill that gap in care so they can continue to work. A family member may need short-term support due to sudden illness or injury. There are a range of backup care options that may be available from a child care center offering drop in care options to supports that allow workers to call an agency and arrange for paid, substitute in-home long-term care if a regularly-schedule care giver is unavailable. Backup care options, which can be used to fill these short-term gaps, make it so workers do not have to use sick or other leave or miss a day of work and pay in order to cover these unexpected care needs. Respite care can also help reduce caregiver burnout, which is linked to physical and psychological impacts that can impact caregivers' ability to remain in the labor force.
- **Building new on- or near-site child care capacity:** In some cases, employers may find it efficient to build capacity and provide child care directly to their workforce.³⁰ The on- or near site care can be operated directly by the employer, which gives them more control over the quality of care, job quality for the care staff, and may make employers eligible for certain tax credits. Or employers may hire a contractor to operate care on-site or at a nearby center, which can lower administrative costs for the employer, but gives them less control over the price of that care for their workers or the job quality for child care staff. Child care provided on or near a work location can be an effective tool for some employers, for example, that have irregular schedules for many workers making it hard for each to find reliable care on their own. However, on-site child care may be expensive, depending on the location, and employers should consider it among other options that may fit employee needs.

Before building new on- or near-site child care, employers should ensure it will not undermine resources for the community, compromise capacity for local child care providers, or undermine local wages for the child care workforce. Employers who build this new child care site should ensure the staff at the centers are making adequate wages and the services provided are aligned with quality standards set by the state or territory. Partnering with care providers that have met national early education and care quality standards and have a commitment to ensuring adequate wages for the care workforce can be an effective way to ensure investments can be sustained to meet the needs of employers, families, and children. For more information, see [Why Recipients of Federal Funds Should Consider Child Care Worker Wages](#).

Additional Considerations for Contracts Subject to Davis-Bacon and Related Acts

Agencies and funding recipients should be aware that some of the recommended actions and practices could impact the compensation of workers performing construction work on contracts subject to Davis-Bacon and Related Acts (DBRA). To the extent that agencies or funding recipients require or encourage contractors on DBRA projects to provide care support to their workers through programs that may qualify as bona fide fringe benefit plans, DBRA contractors may be able to take credit for the cost of such support towards their fringe benefit obligations. For more information about DBRA fringe benefit requirements, including information regarding whether particular care supports could qualify as bona fide fringe benefits for which contractors could take DBRA credit, agencies and funding recipients can contact the [Wage and Hour Division](#).

WHY RECIPIENTS OF FEDERAL FUNDS SHOULD CONSIDER CHILD CARE WORKER WAGES

Recipients of Federal funds establish standards for jobs through their community investments around the country. As investments are made to support workers' access to high quality, affordable child care, special attention must be paid to the working conditions of the child care workforce.

High-quality child care providers employ qualified staff who are well-compensated and supported to do the job of caring for children. Well-compensated child care workers and early care and education workers tend to stay on the job longer, gain critical skills and expertise necessary to do the job well, and can give children the focus and attention they need to thrive. High quality, stable child care is essential both for working parents, as well as the safety and healthy development of young children. Quality child care relies on nurturing relationships with trusted teachers and caregivers. For that reason, high-quality care is associated with better pay for the early care and education workforce.

The [Department of the Treasury](#) has outlined the failures of the child care market, which result in extremely low wages for the child care workforce. Revenue for the majority of child care businesses comes from parent tuition, and increased labor costs for those businesses result in increased prices for parents—making child care increasingly unaffordable and difficult to find for most families. To prevent costs and prices from rising beyond what parents can afford, child care providers are often driven to keep wages low and provide few benefits to their workers.

With an increasingly competitive labor market, the low pay and lack of benefits for the child care workforce has left the child care sector unable to fill critical caregiving jobs. Child care providers cannot operate without workers to care for the children. The child care sector has been among the slowest to stabilize after the COVID-19 pandemic and continues to face workforce challenges.^{31 32} Low wages for the child care workforce impede recruitment and retention of child care workers and contribute to high turnover and workforce shortages, particularly as wages have increased in other industries that compete for the same labor. Average weekly wages for the child care services sector were 54 percent below the national average for weekly wages in the third quarter of 2023 (\$609 compared to \$1,328).³³ As child care employees are more likely to live below the poverty line than those in many other industries, attracting and retaining qualified staff has become increasingly difficult throughout the child care sector.

Child care businesses must find ways to improve job quality, including increasing wages and providing benefits for the early care workforce, if they are going to recruit and retain qualified individuals prepared to care for children. Yet, they must do so without making care more expensive for parents and families. Because child care providers cannot open more slots for children without a workforce, they must find ways to capture new revenue in order to increase wages and attract more workers. To help solve these challenges, the child care sector needs creative strategies and investments from both the public and private sectors, including support from employers who rely on workers with children for their own workforce.³⁴ Through intentional collaboration, recipients

of Federal funds can help lead the way by developing innovative strategies that ensure child care providers have the resources they need to pay staff and provide high quality, affordable child care for families.

Actions Recipients of Federal Funds Can Take

To ensure a viable and successful child care plan, recipients of Federal funds should account for how their child care plan advances living wages and family-sustaining benefits for the child care workers providing care for the children of workers on their projects. Strategies include:

- Identifying the child care needs of your workforce.
- Exploring a wage enhancement strategy for the early care and education workforce with the state or local government where you are working.
- Partnering with child care providers and child care coalitions that have a strong commitment to providing a living wage to their employees/workers.
- Investing in flexible child care that fits your workers' needs, such as addressing needs for nonstandard hour care and backup care, and ensuring these individuals and providers are also paid a living wage.
- Helping identify and provide child care stakeholders with prevailing wage research for similar occupations for child care workers in the area to remain competitive in the labor market.

The Child Care Workforce Requires a Baseline Living Wage

To recruit and retain a skilled child care workforce, child care providers should ensure that all workers are making at least an adequate wage to support themselves and their families. While there are many definitions of a living wage, the International Labor Organization [defines](#) it as “the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work.” There is also no single baseline wage level for child care workers that is appropriate across the country. Appropriate baseline wages will be impacted by local cost of living, in addition to state and local credential or degree requirements for child care workers, which may set minimum standard qualifications or compensation levels of the child care workforce.³⁵ Wages should take into account increases for staff with high qualifications, including credentials, degrees, and relevant experience. Child care teachers and education staff, for example, should be paid on par with local elementary school teachers with the same qualifications.

At a minimum, child care wages must consider living wage thresholds and reduce pay disparities between child care workers and other professions. At a national level, child care wages should be between at least \$15.00 and \$25.30 per hour (compared to the current median hourly wage for child care workers of \$14.60).³⁶ This range considers a national average but does not account for geographic differences, and careful analysis must be done to adapt living wages to the local context.

There are several tools that can help guide calculations of living wage thresholds for a given geographic area, each using a different methodology and considering different factors (see Appendix for more information). The table below provides a sample of living wage estimates from different tools and for different states, demonstrating the range of possible outcomes and the need to carefully consider the baseline wage level necessary for child care providers to remain competitive and child care workers to meet their families' needs. These levels can be considered a basic floor for all child

care staff, whereas to be competitive with teacher salaries in public schools with similar degrees and experience, for example, early care and education workers' wages will often need to be higher.

Family size ³⁷	Living wage tool	AZ	GA	ID	MI	MN	NY	OH	OR	TX
2 workers, 1 child	ALICE Essentials Index	\$17.00	\$21.00	\$18.00	\$21.00	\$19.00	\$25.00	\$17.00	\$22.00	\$19.00
	Living Wage Calculator	\$19.54	\$20.96	\$18.70	\$20.46	\$19.67	\$22.75	\$18.92	\$21.26	\$18.88

Sources: United For ALICE. (2023). "ALICE Essentials Index: 2023 National Report." [UnitedForALICE.org/Essentials-Index](https://unitedforalice.org/essentials-index); Amy K. Glasmeier, "Living Wage Calculator," Massachusetts Institute of Technology, 2024. Accessed on March 28, 2024, <https://livingwage.mit.edu/>.

Beyond a baseline living wage, the early care and education workforce needs access to family-sustaining benefits, such as health insurance, a retirement plan, and paid leave.³⁸ In 2019, 18 percent of center-based early care and education teachers (ECE) were uninsured, compared to 13 percent of all U.S. working aged adults. Center-based ECE teachers were also far less likely to have access to employer-provided private insurance compared to overall U.S. working aged adults (23 percent vs. 63 percent).³⁹ Those working in the service sector, including child care workers, are less likely to have access to paid leave than workers in other occupational groups.⁴⁰

Resources and Tools for Estimating the Living Wage in a Specific Geographic Area

- **[ALICE \(Asset, Limited, Income Constrained, Employed\) Essentials Index](#)**: The ALICE Essentials Index tracks changes in the cost of essential goods and services required to live and maintain employment (e.g., housing, child care, transportation). This information defines the ALICE Threshold: the average income a household needs to afford the basic necessities.
- **[Economic Policy Institute](#)**: The Economic Policy Institute proposes a number of comparison points that should be used to establish an industry standard prevailing wage for child care, including using a minimum standard living wage, reducing wage penalties facing care work and associated with racial and gender discrimination, and incorporating international and domestic care economies.
- **[Living Wage Calculator](#)**: The Living Wage Calculator, developed in 2004 at the Massachusetts Institute of Technology, incorporates data on households' estimated minimum expenditures on basic necessities and effects of payroll and income taxes. The living wage reflects a household's minimum employment earnings necessary to meet a family's basic needs while also maintaining self-sufficiency.
- **[Self-Sufficiency Standard](#)**: A project of the University of Washington Center for Women's Welfare, the Self-Sufficiency Standard is a budget-based living wage and economic security measure that determines the amount of income required for working families to meet basic needs at a minimally adequate level, taking into account family composition, ages of children, and geographic differences in costs. This tool provides county-level estimates.

FURTHER RESOURCES

- [Child care Resource & Referral agencies \(CCR&Rs\)](#) or other local child care networks
- [Child care Quality Rating and Improvement System \(QRIS\) Resources](#)
- [Disability Information and Access Line \(DIAL\)](#) to connect people with disabilities with local resources
- [Eldercare Locator](#) to connect older adults with local resources
- [National Database of Childcare Prices](#)
- [U.S. Child Care Deserts Interactive Map](#)
- [U.S. Department of Health and Human Services, Administration for Children and Families](#)
- [U.S. Department of Health and Human Services, Administration for Community Living](#)
 - [Aging and Disability Resource Centers](#)
 - [Direct Care Workforce Strategies Center](#)
 - [National Family Caregiver Support Program](#)
- [U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation – Direct Care Worker Wages resources](#)
- [U.S. Department of Labor, Employment and Training Administration – Practitioners Guide to Supportive Services \(TEN 12-21\)](#)

APPENDIX

Best Places for Working Parents

This national organization has identified 10 research-based policies that employers can use to benefit parents and positively impact profitability for business. Using these policies, Best Place for Working Parents has an assessment that employers can take to inform priorities for their own employees, as well as a credential that employers can earn to designate themselves as “friendly” to working parents. Best Places for Working Parents also partners with state and local entities to tailor their strategies to a specific landscape, which has included creating location-specific toolkits, promoting the use of the Best Place for Working Parents designation across businesses, and fostering partnerships with business coalitions to align around priority policies.

Key strategies: *public/private partnerships; employer investment strategies*

California’s Equal Representation in Construction Apprenticeship (ERiCA) Grant

Administered by California’s Department of Industrial Relations’ Division of Apprenticeship Standards, the Equal Representation in Construction Apprenticeship (ERiCA) grant provides up to \$25 million in funding over more than two years to improve access to training and employment opportunities for women, non-binary and underserved populations within the building and construction trades. Community-based organizations, local education agencies, workforce boards, unions, and other organizations that support equity in the construction industry are eligible to apply for the funds, which can be used to provide supportive resources for child care and outreach and community building to the target populations.

Key strategies: *state incentives; public/private partnerships; direct cash assistance/stipends*

Care That Works

Care That Works is a Massachusetts-based coalition of labor unions and grassroots community groups, that created a nonstandard hour child care pilot program to provide working parents in the construction and hospitality industries with access to early hour child care, opening as early as 5 am. This program was created to assist workers in these industries get and keep good union careers. Care That Works is building a network of licensed Family Child Care Providers to meet early hour child care hours and plans to expand in the future to meet other nonstandard-hour child care needs.

Key strategies: *supporting pilot programs/pooled funds; nonstandard hour child care; community-informed care*

City of Boston Office of Early Childhood, FCC Shared Services Licensing Support Services

The City of Boston has worked to help support Family Child Care (FCC) providers navigate state licensing processes and establish business practices that build sustainable early childhood services in high-need communities. The efforts have been aligned and coordinated with SEIU, who represent FCC providers in Massachusetts, as well as with employers to target areas with potential job growth.

Key strategies: *sponsorship; labor partnerships; child care expansion*

Colorado Employer Sponsored Childcare Incentive

Eligible Colorado employers are entitled to a refundable credit for providing child care or covering the costs of child care for their employees. Employers can receive a credit for 20 percent of the annual child care investments, for not more than two years.

Key strategies: *state incentives*

Colorado Executives Partnering to Invest in Children (EPIC)

Colorado Executives Partnering to Invest in Children (EPIC) is a group of business executives joined together to invest in children, to meet both child care and workforce demands. EPIC was involved with consulting and coordinating a COVID response for child care centers through the Colorado Emergency Child Care Collaborative and the Keep the Lights on Fund. Through this effort, EPIC was able to convene organizations to fund the purchase and distribution of cleaning supplies, as well as provide direct financial assistance to child care centers (including home-based centers and school-age programs).

Key strategies: *sponsorship*

DC Early Childhood Educator Pay Equity Fund

In FY22 and FY23, more than \$80 million was disbursed to more than 4,000 DC early childhood educators through the Early Childhood Educator Pay Equity Fund. Starting in FY24, the Office of the State Superintendent of Education (OSSE) ceased making direct payments to early childhood educators through AidKit and began distributing funds to child development facilities through a child development facility (CDF) payroll funding formula.

To receive a CDF payroll funding formula award, a facility must be licensed by OSSE, agree to pay eligible early childhood educators, by role (e.g., staff type) and highest credential, salaries that meet or exceed the minimum salaries established by OSSE and complete the process required to opt-in to the program. Child development facilities are not required to participate in the Early Childhood Educator Pay Equity Fund, but it is highly encouraged.

Key strategies: *state incentives*

Iowa Employer Child Care Tax Credit

The Iowa Employer Child Care Tax Credit encourages businesses to address talent recruitment and retention efforts through child care benefits. The program offsets the expenses related to the employer's child care services and projects. The program allows for a maximum of \$150,000 in tax credits per employer and allows for expenditures on child care such as acquisition or construction costs for, operating costs of, or the cost of contracting with qualified child care facilities, as well as contracts for resource and referral services to connect employees with quality child care services.

Key strategies: *sponsorship; direct cash assistance/stipends; public/private partnerships; state incentives*

Johnson County Child Care Wage Enhancement Program

The Johnson County Child Care Coalition (4Cs) established the Child Care Wage Enhancement Program which increases the wages for center-based child care providers, without passing those additional costs to the families. This program is funded by Johnson County (Iowa) ARPA funds, Early Childhood Iowa funds, and through investments from local businesses and employers. Through reimbursements for the wage increase and related payroll taxes, this program has allowed child care programs to increase their providers' wages by \$2.00 an hour (if necessary, the wage enhancement will be adjusted so that an employee's wages do not to exceed the maximum limit of \$19.99 an hour).

Key strategies: *wage enhancement*

Kentucky Child Care Assistance Program (CCAP)

The Child Care Assistance Program, which assists families with paying for child care, expanded in October 2022 to provide child care subsidies to employees that work in a licensed or certified child care program. This first of its kind program, which designates child care workers (educators, kitchen staff, etc.) as a "protected population," was created as a recruitment and retention effort to provide child care workers fully funded child care, no matter their earned or unearned income.

Key strategies: *state incentives; direct cash assistance/stipends*

Kentucky Employee Child Care Assistance Partnership

The Kentucky Employee Child Care Assistance Partnership is a state-sponsored program designed to support families by incentivizing employers to contribute towards child care costs of their employees. The state has appropriated funding to match employers willing to contribute money to the cost of their employee's tuition to a local child care provider. The percentage of state match is based on the employee's household income compared to the State Median Household Income (SMI). The percentage of the match decreases as the family's income rises above the SMI.

Key strategies: *direct cash assistance/stipends; public/private partnerships; state incentives*

Knoxville County Child Care Micro-Center Pilot

Knox County Schools partnered with United Way of Greater Knoxville and the YMCA of East Tennessee to launch the child care micro-center pilot, to address the issue of child care deserts and provide on-site child care to school faculty and staff. The program is funded through United Way and run by trained YMCA staff in a converted classroom that can accommodate up to four infants and eight toddlers or preschoolers.

Key strategies: *micro-center; employer care investment*

Massachusetts Business Coalition for Early Childhood Education

This coalition was founded by the CEOs and leaders of Massachusetts employers with the aim to make early childhood education more accessible, affordable, and stable for Massachusetts workers, more rewarding for early childhood professionals, and a point of differentiation in attracting and retaining a strong workforce in the Commonwealth. The coalition identifies priority areas for Massachusetts businesses to align around and learn from each other to address the early education needs of their workforce. The coalition focuses on advocacy and partnership with state government, identifying impactful strategies that businesses are using to support early education and care, as well as addressing the inequalities facing the care workforce.

Key strategies: *employer investment strategies; public/private partnership*

Massachusetts C3 Grant Program

The C3 grants are non-competitive and available for eligible Department of Early Education and Care-licensed child care providers that are open and serving families in Massachusetts. C3 funds are in addition to current state funding and do not replace the existing subsidy funding system.

C3 grants can be used for:

- Personnel costs, benefits, stipends, and other supports for recruitment and retention;
- Professional development and other investments to support staff in building educator qualifications;
- Other investments to improve program quality such as supplies, curriculum, screening tools, etc.; and
- Rent or mortgage payments, utilities, facilities maintenance and improvements, or insurance.

Key strategies: *state incentives*

Maine Child Care Toolkit for Employers

This toolkit provides a resource that employers can use to better support the child care needs of their employees across the state. The Best Place for Working Parents, the Office of Child and Family Services at the Maine Department of Health and Human Services, and Coastal Enterprises, Inc. collaborated to develop this guide that provides concrete options and examples to employers who are ready and eager to meet the child care needs of their employees. Through this collaboration, Maine was able to develop state-specific data and financing options that can help support working parents.

Key strategies: *state incentives; public/private partnerships*

Maryland DSP Apprenticeship

The Maryland Direct Support Professional (DSP) Apprenticeship Program, administered by Humanim, provides apprentices (high school students and adults) with the paid, on-the-job training and certification needed to pursue careers caring for adults diagnosed with a developmental disability. The program creates a pipeline of candidates providing quality care and provides apprentices with the credentials needed to continue into a career as a DSP, and a path to the middle class. Apprentices receive wage increases as they progress in the apprenticeship and can be hired by partner employers upon completion of the program.

Key strategies: *developing care workforce*

Michigan Tri-Share

The Michigan Tri-Share Child Care program is a pilot program that shares the cost of an employee's child care equally among the employer, the employee, and the State of Michigan. The program is administered by the Michigan Women's Commission and coordinated through regional Tri-Share facilitators (also known as hubs). The hubs act as an intermediary between employers, employees, and child care providers; determine eligibility; recruit employers to participate; assist employers with recruiting eligible employees; helps eligible employees find licensed child care providers of their choosing; and collects payments from employers, employees, and the state to pay child care providers.

Key strategies: *public/private partnerships; state incentives*

Micron

Micron Technology (semiconductor manufacturer) has committed to building child care facilities within or near its facilities. In Boise, Idaho, Micron built a child care facility across the street from its headquarters, to address the need for high-quality, affordable child care. The child care center will be run by the Treasure Valley Family YMCA and will offer STEM-based programming. Micron is also making investments in central New York, as a part of New York's Green CHIPS Community Investment Fund. Micron is building an on-site child care center near its upcoming facility in central New York. They have also pledged \$500,000 to the YMCA of Central New York to train local early childhood teachers and other child care providers, to provide child care to approximately 9,000 employees. Micron has also invested in an Early Childhood Career Pathways Program, which will expand home-based child care centers in part through supporting the providers themselves, many of whom are women and people of color. Finally, Micron has also purchased a premium membership with TOOTRIS (an intermediary business) for their workforce to provide workers access to the TOOTRIS platform with a child care network with 200,000+ providers nationwide, access to dedicated support, and the possibility to manage an employer's child care subsidy program.

Key strategies: *on-site child care; private/public partnership; home-based child care*

National Association for Family Child Care

The National Association for Family Child Care is the only national organization that offers accreditation exclusively for home-based child care. The program works with home-based child care providers to encourage accreditation and continued professional development, and with families to provide them with a network of accredited home-based child care providers.

Key strategies: *network of providers; home-based child care*

New York State Employer-Provided Childcare Credit

Eligible New York State employers are entitled to a refundable credit for financially contributing to their employees' child care expenses or child care resources and referrals expenses. Qualified child care expenditures also include funds used to acquire, construct, rehabilitate, or expand childcare facilities in New York State, as well as the costs associated with training and compensating child care facility employees. Employers can receive a credit of 50 percent for qualified child care facility expenditures plus 20 percent for qualified child care resource and referral expenditures accumulated during the year, capped at \$500,000.

Key strategies: *resources and referrals; qualified childcare expenses*

On-Site for Kids

On-Site for Kids is a turnkey solution for businesses to build modular, high quality on-site child care for their workforce. The model is built for the “deskless workforce” with non-traditional hours, limited income, and limited quality care options for their children. Focusing on reducing expensive employee absenteeism and turnover due to lack of access to quality child care, On-Site for Kids provides businesses with an investment mechanism that ensures adequately compensated and supported care workers while meeting the needs of their employees. The model can also be used in conjunction with existing child care programs to help expand facilities’ capacity in high-need areas.

Key strategies: *building new on- or near-site child care capacity; employer investment strategies*

Oregon CHIPS Childcare Infrastructure Fund

The Oregon CHIPS Childcare Infrastructure Fund is a public-private fund that provides child care investments, including financial support and child care subsidies, for Oregon workers in the semiconductor industry located in child care deserts. This funding will be provided by numerous Oregon state agencies, businesses that receive state grants or loans and federal semiconductor financial assistance, and additional public and private sources.

Key strategies: *private/public partnership*

Oregon’s Highway Construction Workforce Development Program

The Oregon Department of Transportation and the Oregon Bureau of Labor & Industries have partnered for the Highway Construction Workforce Development Program, which provides both financial and non-financial supportive services for apprentices and pre-apprentices, including a number of supports to assist those in the construction trades with access to child care. Pre-apprentices and apprentices in an Oregon registered apprenticeship or pre-apprenticeship program in a heavy highway trade (i.e., operators, carpenters, iron workers, laborers, cement masons or painters) apply to the state program and, if approved, receive financial assistance paid to their child care provider.

Key strategies: *state incentives; direct cash assistance/stipends*

Starbucks Backup Care Benefits (Care@Work)

Starbucks has partnered with Care.com to create Care@Work, which provides employees with an online resource to connect with care workers. Employees receive 10 subsidized backup care days per year (for kid and/or adults). Employees will only be required to pay \$1 per hour for in-home backup child or adult care, and \$5 per day for child care at a center. This program also provides employees with a free Care.com membership and access to free senior care planning services.

Key strategies: *subsidized backup care*

Wisconsin Partner Up

The Wisconsin Partner Up program is a public-private partnership with the Wisconsin Department of Children and Families (DCF) that provides grants to employers (particularly small businesses) that reserve child care spots for their employees with existing regulated child care providers, and grants to child care providers to increase staff compensation or improve the quality of their child care program. This program provides employees with affordable child care, and employers with a recruitment and retention benefit. The program prioritizes businesses and families who do not receive any other child care subsidies, child care providers that are in child care deserts, employers applying to provide child care to low- to middle-income employees, and businesses willing to contribute a minimum percentage of the true cost of care to their employees' child care, as determined by DCF.

Key strategies: *sponsorship; employer care investment*

Endnotes

¹ Supportive services, also called wraparound services, help individuals, and especially people facing systemic barriers to employment, enroll in and successfully complete training and access employment opportunities. Supportive services include, but are not limited to, child care and long term services and supports, linkages with community services, tools or equipment required to train for a job, work clothing, application fees and other costs of apprenticeship or required pre-employment training, transportation and travel to training and work sites, housing, internet access, mental health counseling, legal assistance, educational testing, financial counseling, direct support professionals, substance use disorder treatment, needs-related payments or emergency cash assistance, reasonable accommodations, and services aimed at helping to retain underrepresented groups such as mentoring, support groups, and peer networking. By removing these barriers to employment, employers and training programs also gain access to new pools of talent, especially those from underserved populations. Providing for any of these supportive services does not alter any preexisting obligations, including under the Americans with Disabilities Act.

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³ Landivar, Liana Christin, et al. “Childcare Prices in Local Areas: Initial Findings from the National Database of Childcare Prices.” *Women’s Bureau, U.S. Department of Labor*, Jan. 2023, https://www.dol.gov/sites/dolgov/files/WB/NDPC/508_WB_IssueBrief-NDPC-20230213.pdf.

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⁶ Child care prices are from the U.S. Bureau of Economic Analysis, “Table 2.4.4U. Price Indexes for Personal Consumption Expenditures by Type of Product” (<https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=underlying#eyJhcHBpZC16MTkslnN0ZXBzIjpbMScwYjLDMsM10slmRhdGEiOltblmNhdGVnb3JpZXMiLCJldXJ2ZXkiXSxbIk5JUEFVGFibGVfTGldZCIsIjwMTYiXSxbIkZpcnN0X1llyXliLCIyMDEyYl0sWyJMYXN0X1llyXliLCIyMDIyYl0sWyJTY2FsZSIsIjAiXSxbIkNlcmllcyIsIjEiXV19>), calculated by the percent change in Day care and nursery schools” from 2012–2021. Costs for types of long-term care are calculated from 2012 to 2021 using the Genworth Cost of Care Survey, 2022 (<https://www.genworth.com/aging-and-you/finances/cost-of-care/cost-of-care-trends-and-insights.html/>).

⁷ Landivar, Christin. “New Childcare Data Shows Prices are Untenable for Families.” *Women’s Bureau, U.S. Department of Labor*, 24 Jan. 2023, <https://blog.dol.gov/2023/01/24/new-childcare-data-shows-prices-are-untenable-for-families>.

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⁹ “The Economics of Child Care Supply in the United States.” *U.S. Department of the Treasury*, Sep. 2021, <https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf>.

¹⁰ In 2019, 33 percent of center-based child care and early education programs had high turnover (turnover rate of more than 20 percent), compared to 23 percent with low turnover (turnover rate of 20 percent or less) and 44 percent with no turnover. Among centers surveyed, 40 percent of those that did not provide health insurance and retirement benefits had high turnover rates, compared to 29 percent of those that provided those benefits. See https://www.acf.hhs.gov/sites/default/files/documents/opre/workforce_turnover_snapshot_apr2023.pdf.

¹¹ Among child daycare services establishments that hired employees in July 2022, 20.1 percent filled positions that had been open for more than 30 days (compared to 7 percent for the national average), and 72.9 percent increased starting pay to attract more applicants (32.6 percent national average). Child care providers that hired in July 2022 also used other strategies to help recruitment, including expanding benefits, offering hiring bonuses, and reducing qualifications. Despite these efforts, child care establishments have been more likely than businesses overall to have vacancies. See <https://www.bls.gov/opub/mlr/2024/article/childcare-employment-before-during-and-after-the-covid-19-pandemic.htm>.

¹² “Private, NAICS 6244 Child care services, All Counties, 2023 Third Quarter, All establishment sizes.” *Quarterly Census of Employment and Wages, Employment and Wages Data Viewer, U.S. Bureau of Labor Statistics*, 7 Sep, 2022, https://data.bls.gov/cew/apps/table_maker/v4/table_maker.htm#type=1&year=2023&qtr=3&own=5&ind=6244&supp=0.

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